FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 08/31/2017

This report contains information regarding loans or other assets, as the case may be, (the Cover Pool) securing the obligations under the covered bonds issued by La Fédération des caisses Desjardins du Québec (FCDQ) under the Fédération des caisses Desjardins du Québec Legislative Covered Bond Programme (the Programme) as of the indicated Calculation Date. The composition of the Cover Pool will change as Loans are added and removed from the Cover Pool from time to time and, accordingly, the characteristics and performance of the Loans will vary over time.

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (CMHC) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS REPORT. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

The Cover Pool is owned by CCDQ Covered Bond (Legislative) Guarantor Limited Partnership (Guarantor LP), which has no liabilities or claims outstanding against it other than those relating to the Programme. For further information, please refer to Desjardins' website maintained in respect of the Programme at : http://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/ccd-covered-bonds-terms-access/index.jsp

Certain information set forth below has been obtained and based upon sources believed by Fédération des caisses Desjardins du Québec to be accurate. However, Fédération des caisses Desjardins du Québec makes no representation or warranty, expressed or implied, in relation to the accuracy, completeness or reliability of such information contained herein. Fédération des caisses Desjardins du Québec assumes no liability for any errors or any reliance you place on the information provided herein.

This material is for distribution only under such circumstances as may be permitted by applicable law. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance.This material is published solely for informational purposes and this report does not constitute an invitation or recommendation to invest or otherwise deal in, or an offer to sell or the solicitation of an offer to buy or subscribe for, any security. Reliance should not be placed on the information herein when making any decision to buy, hold or sell any security or for any other purpose.

In this report, currency amounts are stated in Canadian dollars ("$"), unless otherwise specified.

Programme Information

Series	ISIN	Initial Principal Amount	Translation Rate	C$ Equivalent	Expected Maturity	Legal Final Maturity	Coupon Rate	Rate Type	Maturity Type
CBL1	XS1041750404	EUR 1 000 000 000	1.52400	$1 524 000 000	2019-03-11	2020-03-11	1.125%	Fixed	Soft Bullet
CBL2	XS1125546454	EUR 1 000 000 000	1.44475	$1 444 750 000	2019-10-22	2020-10-22	0.375%	Fixed	Soft Bullet
CBL3	XS1324916151	EUR 1 000 000 000	1.42700	$1 427 000 000	2020-11-25	2021-11-25	0.375%	Fixed	Soft Bullet
Total				$4 395 750 000					

Weighted Average Maturity of Outstanding Covered Bonds (months)	27.41
Weighted Average Remaining Term of Loans in Cover Pool (months)	28.70

Series Ratings	Moody's	Fitch
CBL1	Aaa	AAA
CBL2	Aaa	AAA
CBL3	Aaa	AAA

Supplementary Information

Parties

Issuer	Fédération des caisses Desjardins du Québec
Guarantor	CCDQ Covered Bond (Legislative) Guarantor Limited Partnership
Servicer & Cash Manager	Fédération des caisses Desjardins du Québec
Swap Providers	Fédération des caisses Desjardins du Québec
Bond Trustee & Custodian	Computershare Trust Company of Canada
Cover Pool Monitor	PricewaterhouseCoopers
Account Bank & GIC Provider	Fédération des caisses Desjardins du Québec
Standby Account Bank & GIC Provider	Royal Bank of Canada
Paying Agent	The Bank of New York Mellon, London Branch

Fédération des caisses Desjardins du Québec Credit Rating

	Moody's	Fitch	DBRS	S&P
Senior Debt	Aa2	AA-	AA	A+
Subordinated Debt (CapDes)	A2	A+	AAL	A
Short-Term	P-1	F1+	R-1H	A-1
Rating Outlook	Negative	Stable	Negative	Stable

Applicable Ratings of Standby Account Bank & Standby GIC Provider (RBC)

	Moody's	Fitch	DBRS
Senior Debt	P-1	F1+ / AA	R-1H / AA

Desjardins

FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 08/31/2017

Supplementary Information (continued)

Description of Ratings Triggers

For any trigger where both a short-term and a long-term ratings level are specified for a particular rating agency separated by (i) "or", the consequences are triggered when either such level is breached, and (ii) "and", the consequences are triggered when both such levels are breached.

A. Party Replacement

If the rating(s) of the Party falls below the level stipulated below, such party is required to be replaced or in the case of the Swap Providers transfer credit support and replace itself or obtain a guarantee for its obligations.

Role (Current Party)	Moody's	Fitch
Account Bank & GIC Provider (FCDQ)	P-1	F1 or A
Standby Account Bank & GIC Provider (RBC)	P-1	F1 or A
Cash Manager (FCDQ)	P-2	F2
Servicer (FCDQ)	Baa2	F2
Interest Rate Swap Providers (FCDQ)	P-2 and A3	F3 or BBB-
Covered Bond Swap Providers (FCDQ)	P-2 and A3	F3 or BBB-
Title Holder on Hypothecs (Mortgages) (FCDQ)	Baa1	BBB-

B.Specified Rating Related Action

i. The following actions are required if the rating of the Cash Manager (FCDQ) falls below the stipulated rating

	Moody's	Fitch
(a) Amounts held by the Cash Manager belonging to the Guarantor are required to be deposited directly into the Transaction Account or the GIC *Account as applicable within 5 business days*	P-1	F1 or A
(b) Amounts received by the Servicer are to be deposited directly to the GIC Account and not provided to the Cash Manager	P-1	F1 or A

ii. The following actions are required if the rating of the Servicer (FCDQ) falls below the stipulated rating

	Moody's	Fitch
a) Servicer is required to transfer amounts to belonging to the Guarantor, the Cash Manager or GIC Account, as applicable, within 2 business days	P-1	F1 or A

iii. The following actions are required if the rating of the Issuer (FCDQ) falls below the stipulated rating

	Moody's	Fitch
(a) Repayment of the Demand Loan	N/A	F2 or BBB+
(b) Establishment of the Reserve Fund	P-1	F1 or A
(c) Fund Pre-Maturity Liquidity Required Amount on Hard Bullet Covered Bonds	P-1	F1+

iv. The following actions are required if the rating of the Issuer (FCDQ) falls below the stipulated rating

	Moody's	Fitch
(a) Cashflows will be exchanged under the Covered Bond Swap Agreement (to the extent not already occurring) except as otherwise provided in the Covered Bond Swap Agreement	Baa1	BBB+

v. Each Swap Provider is required to replace itself, transfer credit support or obtain a guarantee of its obligations if the rating of such Swap Provider falls below the specified rating

	Moody's	Fitch
(a) Interest Rate Swap Provider	P-1 and A2 [(1)]	F1 or A
(b) Covered Bond Swap Provider	P-1 and A2 [(1)]	F1 or A

[(1)] If no short-term rating, long-term trigger is A1

Events of Default & Test Compliance

Issuer Event of Default	No
Guarantor Event of Default	No

Desjardins

FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 08/31/2017

Asset Coverage Test (C$)

Outstanding Covered Bonds	**$4 395 750 000**		
A = lower of (i) LTV Adjusted True Balance	$6 016 818 715	A(i) :	$6 611 706 944
(ii) Asset Percentage Adjusted True Balance		A(ii) :	$6 016 818 715
B = Principal Receipts	$0		
C = Cash Capital Contributions	$0	Asset Percentage :	91.00%
D = Substitute Assets	$0	Minimum Asset Percentage :	80.00%
E = Reserve Fund	$0	Maximum Asset Percentage :	97.00%
Y = Contingent Collateral Amount	$0		
Z = Negative Carry Factor Calculation	$50 243 417	Regulatory OC Minimum :	103.00%
Total: A + B + C + D + E - Y - Z	**$5 966 575 299**	Level of overcollateralization :	111.03%

Asset Coverage Test **Pass**

Valuation Calculation Test (C$)

Trading Value of Covered Bonds	**$4 469 685 728**		
A = lower of (i) Present Value of the relevant Loan [1]	$6 540 839 586	A(i) :	$6 540 839 586
(ii) 80% of the Latest Valuation relating to that Loan		A(ii) :	$11 735 556 828
B = Principal Receipts	$0		
C = Cash Capital Contributions	$0		
D = Trading Value of any Substitute Assets	$0		
E = Reserve Fund	$0		
F = Trading Value of Swap Collateral	$0		
Total: A + B + C + D + E + F	**$6 540 839 586**		

The actual weighted average rate used for discounting is 3.621%

[1] *Present value of expected future cash flows of Loans using current market interest rates offered to Desjardins clients.*

Intercompany Loan Balance

Guarantee Loan	$4 834 021 504
Demand Loan	$1 786 237 039
Total	**$6 620 258 543**

Covered Bonds Outstanding vs AMF Covered Bond Limit

Covered Bonds Currently Outstanding (CAD Equivalent) Issued under the Legislative Covered Bond Programme	$4 395 750 000
AMF Covered Bond Limit [1]	$8 941 262 638

[1] *The current maximum supervisory limit set by the Autorité des marchés financiers (the "AMF"), the regulatory body which supervises the issuance of covered bonds by Federation des caisses Desjardins du Québec from a prudential standpoint, is 4 % of the Total Assets of Desjardins Group.*

Cover Pool Summary Statistics

Previous Month Ending Balance ($)	$6 248 331 910		
Current Month Ending Balance ($)	$6 620 258 543		
Number of Mortgage Loans	53 119		
Average Loan Balance ($)	$124 631		
Number of Properties	53 120		
Number of Borrowers	50 836		
	Original		**Indexed**
Weighted Average Current LTV	59.34%		55.94%
Weighted Average Original LTV	69.04%		
Weighted Average Authorized LTV	69.04%		
Weighted Average Rate	2.85%		
Weighted Average Original Term	49.22	(months)	
Weighted Average Remaining Term	28.70	(months)	
Weighted Average Seasoning	20.52	(months)	
Weighted Average Maturity of Outstanding Covered Bonds	27.41	(months)	

Provincial Distribution

Province	Number of Loans	Percentage	Principal Balance	Percentage
Québec	53 119	100.00%	$6 620 258 543	100.00%
Ontario	0	0.00%	$0	0.00%
Grand Total	**53 119**	**100.00%**	**$6 620 258 543**	**100.00%**

Credit Score Distribution

Credit Score	Number of Loans	Percentage	Principal Balance	Percentage
Score Unavailable	267	0.50%	$42 316 008	0.64%
599 and below	904	1.70%	$114 710 142	1.73%
600 - 650	2 370	4.46%	$317 083 275	4.79%
651 - 700	5 749	10.82%	$797 590 087	12.05%
701 - 750	12 247	23.06%	$1 623 915 937	24.53%
751 - 800	18 786	35.37%	$2 328 103 905	35.17%
> 800	12 796	24.09%	$1 396 539 190	21.09%
Grand Total	**53 119**	**100.00%**	**$6 620 258 543**	**100.00%**

Desjardins

FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 08/31/2017

Rate Type Distribution

Rate Type	Number of Loans	Percentage	Principal Balance	Percentage
Fixed rate	42 317	79.66%	$5 253 346 666	79.35%
Floating rate	10 802	20.34%	$1 366 911 877	20.65%
Grand Total	**53 119**	**100.00%**	**$6 620 258 543**	**100.00%**

Occupancy Type Distribution

Occupancy Type	Number of Loans	Percentage	Principal Balance	Percentage
Owner occupied	44 267	83.34%	$5 097 787 776	77.00%
Not owner occupied	8 852	16.66%	$1 522 470 767	23.00%
Grand Total	**53 119**	**100.00%**	**$6 620 258 543**	**100.00%**

Mortgage Asset Type Distribution

Asset type	Number of Loans	Percentage	Principal Balance	Percentage
Conventional Mortgage	53 119	100.00%	$6 620 258 543	100.00%
Versatile Loan	0	0.00%	$0	0.00%
Total	**53 119**	**100.00%**	**$6 620 258 543**	**100.00%**

Loan Interest Rate Distribution

Loan Interest Rate (in %)	Number of Loans	Percentage	Principal Balance	Percentage
< 2.0000	561	1.06%	$78 258 780	1.18%
2.0000 to 2.4999	5 192	9.77%	$993 763 676	15.01%
2.5000 to 2.9999	36 106	67.97%	$4 345 293 584	65.64%
3.0000 to 3.4999	6 997	13.17%	$763 932 299	11.54%
3.5000 to 3.9999	3 495	6.58%	$361 749 134	5.46%
4.0000 to 4.4999	364	0.69%	$37 701 371	0.57%
4.5000 to 4.9999	247	0.46%	$25 260 745	0.38%
5.0000 to 5.4999	99	0.19%	$9 834 812	0.15%
5.5000 to 5.9999	25	0.05%	$2 257 346	0.03%
6.0000 to 6.4999	16	0.03%	$1 126 987	0.02%
6.5000 to 6.9999	13	0.02%	$858 767	0.01%
> 7.0000	4	0.01%	$221 042	0.00%
Grand Total	**53 119**	**100.00%**	**$6 620 258 543**	**100.00%**

Remaining Term Distribution

Remaining Term (in months)	Number of Loans	Percentage	Principal Balance	Percentage
Less than 12	10 901	20.52%	$1 239 048 423	18.72%
12 - 23	11 995	22.58%	$1 495 349 418	22.59%
24 - 35	13 149	24.75%	$1 595 415 581	24.10%
36 - 47	10 158	19.12%	$1 380 610 222	20.85%
48 - 59	6 800	12.80%	$894 259 985	13.51%
60 - 71	48	0.09%	$5 987 090	0.09%
72 - 83	15	0.03%	$2 054 970	0.03%
84 and above	53	0.10%	$7 532 854	0.11%
Grand Total	**53 119**	**100.00%**	**$6 620 258 543**	**100.00%**

Remaining Principal Balance Distribution

Remaining Principal Balance (C$)	Number of Loans	Percentage	Principal Balance	Percentage
Less than 100 000	25 519	48.04%	$1 586 091 496	23.96%
100 000 - 149 999	12 470	23.48%	$1 540 630 357	23.27%
150 000 - 199 999	7 373	13.88%	$1 270 197 018	19.19%
200 000 - 249 999	3 407	6.41%	$757 894 098	11.45%
250 000 - 299 999	1 924	3.62%	$523 544 758	7.91%
300 000 - 349 999	1 083	2.04%	$349 512 225	5.28%
350 000 - 399 999	627	1.18%	$232 907 671	3.52%
400 000 - 449 999	309	0.58%	$130 595 584	1.97%
450 000 - 499 999	172	0.32%	$81 352 617	1.23%
500 000 - 549 999	103	0.19%	$53 659 572	0.81%
550 000 - 599 999	55	0.10%	$31 588 278	0.48%
600 000 - 649 999	22	0.04%	$13 718 178	0.21%
650 000 - 699 999	16	0.03%	$10 783 198	0.16%
700 000 - 749 999	8	0.02%	$5 839 307	0.09%
750 000 - 799 999	8	0.02%	$6 196 851	0.09%
800 000 - 849 999	4	0.01%	$3 249 088	0.05%
850 000 - 899 999	4	0.01%	$3 480 039	0.05%
900 000 - 949 999	0	0.00%	$0	0.00%
950 000 - 999 999	5	0.01%	$4 801 980	0.07%
1 000 000 and above	10	0.02%	$14 216 230	0.21%
Grand Total	**53 119**	**100.00%**	**$6 620 258 543**	**100.00%**

Property Type Distribution

Property Type	Number of Loans	Percentage	Principal Balance	Percentage
Detached	30 297	57.04%	$3 173 787 173	47.94%
Semi Detached	2 147	4.04%	$259 254 697	3.92%
Rows (Townhouse)	642	1.21%	$85 341 586	1.29%
Condominium	7 600	14.31%	$1 014 886 963	15.33%
Multiplex	8 823	16.61%	$1 624 040 224	24.53%
Secondary Homes	3 608	6.79%	$462 718 375	6.99%
Other	2	0.00%	$229 524	0.00%
Grand Total	**53 119**	**100.00%**	**$6 620 258 543**	**100.00%**

Desjardins

FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 08/31/2017

Current Indexed LTV Distribution

Current Indexed LTV (in %)	Number of Loans	Percentage	Principal Balance	Percentage
<= 20.00	6 820	12.84%	$311 786 326	4.71%
20.01 - 25.00	3 232	6.08%	$220 308 650	3.33%
25.01 - 30.00	3 497	6.58%	$270 620 620	4.09%
30.01 - 35.00	3 382	6.37%	$297 047 933	4.49%
35.01 - 40.00	3 225	6.07%	$325 387 826	4.92%
40.01 - 45.00	3 291	6.20%	$366 024 863	5.53%
45.01 - 50.00	3 291	6.20%	$402 424 795	6.08%
50.01 - 55.00	3 326	6.26%	$442 671 038	6.69%
55.01 - 60.00	3 527	6.64%	$527 655 779	7.97%
60.01 - 65.00	4 144	7.80%	$681 032 054	10.29%
65.01 - 70.00	5 196	9.78%	$916 340 470	13.84%
70.01 - 75.00	6 029	11.35%	$1 090 196 698	16.47%
75.01 - 80.00	4 085	7.69%	$755 415 699	11.41%
> 80.00	74	0.14%	$13 345 791	0.20%
Grand Total	**53 119**	**100.00%**	**$6 620 258 543**	**100.00%**

Current Indexed LTV / Delinquency Distribution

Province of Quebec

Current Indexed LTV (in %)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Grand Total	Percentage
<= 20.00	$311 503 254	$34 067	$117 374	$131 631	$311 786 326	4.71%
20.01 - 25.00	$220 096 146	$172 563	$39 941	$0	$220 308 650	3.33%
25.01 - 30.00	$270 564 574	$56 046	$0	$0	$270 620 620	4.09%
30.01 - 35.00	$296 817 272	$0	$230 661	$0	$297 047 933	4.49%
35.01 - 40.00	$324 483 591	$503 449	$339 991	$60 795	$325 387 826	4.92%
40.01 - 45.00	$365 440 792	$460 115	$59 935	$64 020	$366 024 863	5.53%
45.01 - 50.00	$401 881 476	$165 302	$131 795	$246 222	$402 424 795	6.08%
50.01 - 55.00	$441 966 182	$538 441	$166 415	$0	$442 671 038	6.69%
55.01 - 60.00	$526 809 207	$678 308	$116 832	$51 432	$527 655 779	7.97%
60.01 - 65.00	$680 340 239	$270 970	$420 846	$0	$681 032 054	10.29%
65.01 - 70.00	$912 989 398	$1 324 187	$874 863	$1 152 021	$916 340 470	13.84%
70.01 - 75.00	$1 088 935 743	$1 174 220	$0	$86 734	$1 090 196 698	16.47%
75.01 - 80.00	$754 039 226	$744 349	$527 669	$104 455	$755 415 699	11.41%
> 80.00	$13 345 791	$0	$0	$0	$13 345 791	0.20%
Grand Total	**$6 609 212 893**	**$6 122 018**	**$3 026 321**	**$1 897 311**	**$6 620 258 543**	**100.00%**
Percentage	**99.83%**	**0.09%**	**0.05%**	**0.03%**	**100.00%**	

Province of Ontario

Current Indexed LTV (in %)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Grand Total	Percentage
<= 20.00	$0	$0	$0	$0	$0	0.00%
20.01 - 25.00	$0	$0	$0	$0	$0	0.00%
25.01 - 30.00	$0	$0	$0	$0	$0	0.00%
30.01 - 35.00	$0	$0	$0	$0	$0	0.00%
35.01 - 40.00	$0	$0	$0	$0	$0	0.00%
40.01 - 45.00	$0	$0	$0	$0	$0	0.00%
45.01 - 50.00	$0	$0	$0	$0	$0	0.00%
50.01 - 55.00	$0	$0	$0	$0	$0	0.00%
55.01 - 60.00	$0	$0	$0	$0	$0	0.00%
60.01 - 65.00	$0	$0	$0	$0	$0	0.00%
65.01 - 70.00	$0	$0	$0	$0	$0	0.00%
70.01 - 75.00	$0	$0	$0	$0	$0	0.00%
75.01 - 80.00	$0	$0	$0	$0	$0	0.00%
> 80.00	$0	$0	$0	$0	$0	0.00%
Grand Total	**$0**	**$0**	**$0**	**$0**	**$0**	**0.00%**
Percentage	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	

Current Indexed LTV / Credit Score Distribution

Current Indexed LTV (in %)	599 and below	600 - 650	651 - 700	701 - 750	751 - 800	> 800	Score Unavailable	Grand Total	Percentage
<= 20.00	$1 341 741	$6 652 849	$17 972 199	$54 823 278	$116 378 971	$113 598 186	$1 019 101	$311 786 326	4.71%
20.01 - 25.00	$1 749 746	$4 806 482	$16 048 850	$44 355 813	$81 131 847	$70 702 067	$1 513 846	$220 308 650	3.33%
25.01 - 30.00	$3 396 804	$9 541 357	$21 292 792	$51 431 513	$99 818 150	$82 609 282	$2 530 723	$270 620 620	4.09%
30.01 - 35.00	$4 677 808	$9 773 214	$30 199 976	$62 422 404	$105 595 983	$82 110 283	$2 268 265	$297 047 933	4.49%
35.01 - 40.00	$4 505 001	$14 273 659	$31 017 503	$70 303 717	$116 062 913	$85 233 875	$3 991 158	$325 387 826	4.92%
40.01 - 45.00	$6 469 261	$16 971 426	$36 192 187	$85 287 122	$131 681 614	$85 688 227	$3 735 027	$366 024 863	5.53%
45.01 - 50.00	$9 553 211	$21 688 326	$49 992 840	$102 145 531	$128 254 183	$85 478 355	$5 312 350	$402 424 795	6.08%
50.01 - 55.00	$9 855 295	$22 917 477	$52 663 114	$105 999 888	$153 600 310	$93 847 540	$3 787 414	$442 671 038	6.69%
55.01 - 60.00	$12 284 446	$26 991 759	$68 600 830	$127 521 486	$180 772 555	$103 477 727	$8 006 976	$527 655 779	7.97%
60.01 - 65.00	$11 010 300	$38 957 534	$95 877 376	$160 543 633	$242 519 067	$127 010 476	$5 113 668	$681 032 054	10.29%
65.01 - 70.00	$20 524 954	$56 114 070	$126 570 536	$238 800 430	$320 213 903	$151 918 013	$2 198 565	$916 340 470	13.84%
70.01 - 75.00	$22 269 429	$51 296 198	$148 704 094	$294 661 547	$376 822 426	$193 930 091	$2 512 914	$1 090 196 698	16.47%
75.01 - 80.00	$6 673 736	$36 610 546	$100 482 263	$222 482 400	$270 529 928	$118 310 826	$326 001	$755 415 699	11.41%
> 80.00	$398 410	$488 380	$1 975 528	$3 137 176	$4 722 056	$2 624 242	$0	$13 345 791	0.20%
Grand Total	**$114 710 142**	**$317 083 275**	**$797 590 087**	**$1 623 915 937**	**$2 328 103 905**	**$1 396 539 190**	**$42 316 008**	**$6 620 258 543**	**100.00%**
Percentage	**1.73%**	**4.79%**	**12.05%**	**24.53%**	**35.17%**	**21.09%**	**0.64%**	**100.00%**	

FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 08/31/2017

Cover Pool - Substitute Assets

Type	Canadian Government Bonds
CMHC Guide Limit [1]	$662 025 854

[1] The CMHC Guide limit Substitute Assets to 10% of the total Cover Pool Collateral.

Indexation Methodology

As of the date of this Investor Report, the Guarantor uses the methodology described below (which methodology is, as of the date hereof, the "Indexation Methodology"), to establish the current market loan to value ratios ("LTV ratio") of residential properties securing loans included in the Covered Bond Portfolio on a quarterly basis for purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation and for other purposes as may be required by the CMHC Guide from time to time. Changes to the Indexation Methodology may only be made

(i) upon notice to CMHC and satisfaction of any other conditions specified by CMHC in relation thereto, (ii) if such change constitutes a material change, subject to Rating Agency Confirmation, and (iii) if such change is materially prejudicial to the Covered Bondholders, subject to the consent of the Bond Trustee. The Indexation Methodology must at all times comply with the requirements of the CMHC Guide.

The index used by the Guarantor to determine the updated market value of a Property is the Teranet-National Bank Regional and Property Type Sub-IndicesTM ("TNB RPTSIs"). The TNB RPTSIs product is available by subscription at www.housepriceindex.ca. This website and its contents do not form part of this Investor Report.

The TNB RPTSIs product is an independent representation of the rate of change of Canadian single-family home prices. The measurements are based on the property records of public land registries, grouped into individual Forward Sortation Areas (or clusters of FSAs). At this time all Properties in the Covered Bond Portfolio are located in FSAs covered by the TNB RPTSIs. Sub-indices are further segmented by property type (all types vs. single-detached homes vs. condominiums) in areas where this data is available. For areas where the TNB RPTSIs are not subdivided by property type, the Guarantor will use the all types sub-index.

All properties that have been sold at least twice are considered in the calculation of the TNB RPTSIs; this is known as the repeat sales methodology. Properties that are affected by endogenous factors are not considered in the estimation. These factors may include: a) nonarms-length sale, b) change of type of property, for example after renovations, c) data error, and d) high turnover frequency (biannual or higher). In the repeat sales methodology, the averaging of price appreciation from different pairs of sales is done using an estimation process in which each pair is a separate observation.

For purposes of the Covered Bond Portfolio, each Property is assigned an original index value based on its appraisal date or re-evaluation date, if more recent information is available. On at least a quarterly basis, the latest index value for a Property is compared to the original index value. The relative change is used to calculate an updated market value. This market value is used as the denominator in the current market LTV ratio.

Material risks associated with using the Indexation Methodology include, but are not limited to, the following: the accuracy, adequacy and timeliness of the TNB RPTSIs being relied upon; the consistency in underlying methodology of such TNB RPTSIs; the continued availability of the home sale price data provided to Teranet; and in the case of Properties located within the areas where the TNB RPTSIs are not subdivided by property type, the risk that the all-types sub-index may not account for differences in property value changes based on property type.

Teranet Inc. ("Teranet") has, jointly with National Bank of Canada ("NBC", and collectively with Teranet and their third party licensors, the "Licensors"), developed a methodology and algorithm to create a residential house price index. The Fédération des caisses Desjardins du Québec Legislative Covered Bond Programme (the "Programme") is not endorsed, sold or promoted by the Licensors. None of the Licensors make any representation or warranty, express or implied, to the parties to the Programme or any member of the public regarding the advisability or recommendation of investing in the Programme particularly or concerning the results to be obtained from the TNB RPTSIs and the ability of such product to track the performance of the residential real estate and housing markets or concerning the extent to which the capital value or income return of the Programme matches or will match the performance of the TNB RPTSIs or the levels at which the TNB RPTSIs may stand at a particular date. The Licensors' only relationship to Fédération des caisses Desjardins du Québec ("FCDQ") is the licensing of certain trademarks and trade names of the Licensors without regard to the FCDQ or the Programme. The Licensors have no obligation to take the needs of the FCDQ or the parties to the Programme into consideration in determining, composing or calculating the TNB RPTSIs. None of the Licensors is responsible for and none has participated in determining the pricing, quantities or timing of the execution of the Programme by the parties thereto or the assessment or method of settlement calculation therefor. The Licensors have no obligation or liability in connection with the administration, marketing or trading of the Programme.

None of the Licensors or any of their affiliates guarantees the adequacy, accuracy, timeliness or completeness of the TNB RPTSIs or any data included therein, or any communications related thereto. None of the Licensors or any of their affiliates shall be subject to any damages or liabilities for any errors, omissions or delays of the dissemination of the TNB RPTSIs. None of the Licensors or any of their affiliates makes express or implied warranties, and each of them expressly disclaims all warranties or merchantability or fitness for a particular purpose or use with respect to the TNB RPTSIs or any data included therein. Without limiting any of the foregoing, in no event whatsoever shall the Licensors or any of their affiliates be liable for any direct, special, incidental, punitive or consequential damages, including but not limited to loss of profits, trading losses, lost time or goodwill, even if they have been advised of the possibility of such damages, whether in contract, tort, strict liability or otherwise. The Teranet-National Bank Regional and Property Type Sub-IndicesTM is the trademark of Teranet and NBC, and has been licensed for use by the FCDQ.